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NOTICE OF ALLOWANCE AND FEE(S) DUE

22200 7590 06/19/2008

PARK, VAUGHAN & FLEMING LLP
2820 FIFTH STREET
DAVIS, CA 95618

EXAMINER

NGUYEN, NGA B

ART UNIT

PAPER NUMBER

3692

DATE MAILED: 06/19/2008

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/901,954	07/10/2001	James E. Templeton	PAY00-003	7267

TITLE OF INVENTION: SYSTEM AND METHOD FOR VERIFYING A FINANCIAL INSTRUMENT

APPLN. TYPE	SMALL ENTITY	ISSUE FEE DUE	PUBLICATION FEE DUE	PREV. PAID ISSUE FEE	TOTAL FEE(S) DUE	DATE DUE
nonprovisional	NO	\$1440	\$300	\$0	\$1740	09/19/2008

THE APPLICATION IDENTIFIED ABOVE HAS BEEN EXAMINED AND IS ALLOWED FOR ISSUANCE AS A PATENT. PROSECUTION ON THE MERITS IS CLOSED. THIS NOTICE OF ALLOWANCE IS NOT A GRANT OF PATENT RIGHTS. THIS APPLICATION IS SUBJECT TO WITHDRAWAL FROM ISSUE AT THE INITIATIVE OF THE OFFICE OR UPON PETITION BY THE APPLICANT. SEE 37 CFR 1.313 AND MPEP 1308.

THE ISSUE FEE AND PUBLICATION FEE (IF REQUIRED) MUST BE PAID WITHIN THREE MONTHS FROM THE MAILING DATE OF THIS NOTICE OR THIS APPLICATION SHALL BE REGARDED AS ABANDONED. THIS STATUTORY PERIOD CANNOT BE EXTENDED. SEE 35 U.S.C. 151. THE ISSUE FEE DUE INDICATED ABOVE DOES NOT REFLECT A CREDIT FOR ANY PREVIOUSLY PAID ISSUE FEE IN THIS APPLICATION. IF AN ISSUE FEE HAS PREVIOUSLY BEEN PAID IN THIS APPLICATION (AS SHOWN ABOVE), THE RETURN OF PART B OF THIS FORM WILL BE CONSIDERED A REQUEST TO REAPPLY THE PREVIOUSLY PAID ISSUE FEE TOWARD THE ISSUE FEE NOW DUE.

HOW TO REPLY TO THIS NOTICE:

I. Review the SMALL ENTITY status shown above.

If the SMALL ENTITY is shown as YES, verify your current SMALL ENTITY status:

A. If the status is the same, pay the TOTAL FEE(S) DUE shown above.

B. If the status above is to be removed, check box 5b on Part B - Fee(s) Transmittal and pay the PUBLICATION FEE (if required) and twice the amount of the ISSUE FEE shown above, or

If the SMALL ENTITY is shown as NO:

A. Pay TOTAL FEE(S) DUE shown above, or

B. If applicant claimed SMALL ENTITY status before, or is now claiming SMALL ENTITY status, check box 5a on Part B - Fee(s) Transmittal and pay the PUBLICATION FEE (if required) and 1/2 the ISSUE FEE shown above.

II. PART B - FEE(S) TRANSMITTAL, or its equivalent, must be completed and returned to the United States Patent and Trademark Office (USPTO) with your ISSUE FEE and PUBLICATION FEE (if required). If you are charging the fee(s) to your deposit account, section "4b" of Part B - Fee(s) Transmittal should be completed and an extra copy of the form should be submitted. If an equivalent of Part B is filed, a request to reapply a previously paid issue fee must be clearly made, and delays in processing may occur due to the difficulty in recognizing the paper as an equivalent of Part B.

III. All communications regarding this application must give the application number. Please direct all communications prior to issuance to Mail Stop ISSUE FEE unless advised to the contrary.

IMPORTANT REMINDER: Utility patents issuing on applications filed on or after Dec. 12, 1980 may require payment of maintenance fees. It is patentee's responsibility to ensure timely payment of maintenance fees when due.

PART B - FEE(S) TRANSMITTAL

Complete and send this form, together with applicable fee(s), to: **Mail Stop ISSUE FEE**
Commissioner for Patents
P.O. Box 1450
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INSTRUCTIONS: This form should be used for transmitting the ISSUE FEE and PUBLICATION FEE (if required). Blocks 1 through 5 should be completed where appropriate. All further correspondence including the Patent, advance orders and notification of maintenance fees will be mailed to the current correspondence address as indicated unless corrected below or directed otherwise in Block 1, by (a) specifying a new correspondence address; and/or (b) indicating a separate "FEE ADDRESS" for maintenance fee notifications.

CURRENT CORRESPONDENCE ADDRESS (Note: Use Block 1 for any change of address)

22200 7590 06/19/2008

PARK, VAUGHAN & FLEMING LLP
2820 FIFTH STREET
DAVIS, CA 95618

Note: A certificate of mailing can only be used for domestic mailings of the Fee(s) Transmittal. This certificate cannot be used for any other accompanying papers. Each additional paper, such as an assignment or formal drawing, must have its own certificate of mailing or transmission.

Certificate of Mailing or Transmission

I hereby certify that this Fee(s) Transmittal is being deposited with the United States Postal Service with sufficient postage for first class mail in an envelope addressed to the **Mail Stop ISSUE FEE** address above, or being facsimile transmitted to the USPTO (571) 273-2885, on the date indicated below.

(Depositor's name)

(Signature)

(Date)

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/901,954	07/10/2001	James E. Templeton	PAY00-003	7267

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nonprovisional	NO	\$1440	\$300	\$0	\$1740	09/19/2008
EXAMINER	ART UNIT	CLASS-SUBCLASS				
NGUYEN, NGA B	3692	705-038000				

1. Change of correspondence address or indication of "Fee Address" (37 CFR 1.363).

Change of correspondence address (or Change of Correspondence Address form PTO/SB/122) attached.
 "Fee Address" indication (or "Fee Address" Indication form PTO/SB/47; Rev 03-02 or more recent) attached. **Use of a Customer Number is required.**

2. For printing on the patent front page, list

(1) the names of up to 3 registered patent attorneys or agents OR, alternatively,
(2) the name of a single firm (having as a member a registered attorney or agent) and the names of up to 2 registered patent attorneys or agents. If no name is listed, no name will be printed.

1 _____
2 _____
3 _____

3. ASSIGNEE NAME AND RESIDENCE DATA TO BE PRINTED ON THE PATENT (print or type)

PLEASE NOTE: Unless an assignee is identified below, no assignee data will appear on the patent. If an assignee is identified below, the document has been filed for recordation as set forth in 37 CFR 3.11. Completion of this form is NOT a substitute for filing an assignment.

(A) NAME OF ASSIGNEE

(B) RESIDENCE: (CITY and STATE OR COUNTRY)

Please check the appropriate assignee category or categories (will not be printed on the patent): Individual Corporation or other private group entity Government

4a. The following fee(s) are submitted:

Issue Fee
 Publication Fee (No small entity discount permitted)
 Advance Order - # of Copies _____

4b. Payment of Fee(s): (Please first reapply any previously paid issue fee shown above)

A check is enclosed.
 Payment by credit card. Form PTO-2038 is attached.
 The Director is hereby authorized to charge the required fee(s), any deficiency, or credit any overpayment, to Deposit Account Number _____ (enclose an extra copy of this form).

5. Change in Entity Status (from status indicated above)

a. Applicant claims SMALL ENTITY status. See 37 CFR 1.27. b. Applicant is no longer claiming SMALL ENTITY status. See 37 CFR 1.27(g)(2).

NOTE: The Issue Fee and Publication Fee (if required) will not be accepted from anyone other than the applicant; a registered attorney or agent; or the assignee or other party in interest as shown by the records of the United States Patent and Trademark Office.

Authorized Signature _____

Date _____

Typed or printed name _____

Registration No. _____

This collection of information is required by 37 CFR 1.311. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, Virginia 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, Virginia 22313-1450.

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PARK, VAUGHAN & FLEMING LLP 2820 FIFTH STREET DAVIS, CA 95618				NGUYEN, NGA B
ART UNIT		PAPER NUMBER		
3692				DATE MAILED: 06/19/2008

Determination of Patent Term Adjustment under 35 U.S.C. 154 (b)

(application filed on or after May 29, 2000)

The Patent Term Adjustment to date is 836 day(s). If the issue fee is paid on the date that is three months after the mailing date of this notice and the patent issues on the Tuesday before the date that is 28 weeks (six and a half months) after the mailing date of this notice, the Patent Term Adjustment will be 836 day(s).

If a Continued Prosecution Application (CPA) was filed in the above-identified application, the filing date that determines Patent Term Adjustment is the filing date of the most recent CPA.

Applicant will be able to obtain more detailed information by accessing the Patent Application Information Retrieval (PAIR) WEB site (<http://pair.uspto.gov>).

Any questions regarding the Patent Term Extension or Adjustment determination should be directed to the Office of Patent Legal Administration at (571)-272-7702. Questions relating to issue and publication fee payments should be directed to the Customer Service Center of the Office of Patent Publication at 1-(888)-786-0101 or (571)-272-4200.

Notice of Allowability	Application No.	Applicant(s)
	09/901,954	TEMPLETON ET AL.
	Examiner Nga B. Nguyen	Art Unit 3692

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address--

All claims being allowable, PROSECUTION ON THE MERITS IS (OR REMAINS) CLOSED in this application. If not included herewith (or previously mailed), a Notice of Allowance (PTOL-85) or other appropriate communication will be mailed in due course. **THIS NOTICE OF ALLOWABILITY IS NOT A GRANT OF PATENT RIGHTS.** This application is subject to withdrawal from issue at the initiative of the Office or upon petition by the applicant. See 37 CFR 1.313 and MPEP 1308.

1. This communication is responsive to the Amendment filed on January 18, 2008.
2. The allowed claim(s) is/are 1-43.
3. Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
 - a) All
 - b) Some*
 - c) None
 of the:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

* Certified copies not received: _____.

Applicant has THREE MONTHS FROM THE "MAILING DATE" of this communication to file a reply complying with the requirements noted below. Failure to timely comply will result in ABANDONMENT of this application.

THIS THREE-MONTH PERIOD IS NOT EXTENDABLE.

4. A SUBSTITUTE OATH OR DECLARATION must be submitted. Note the attached EXAMINER'S AMENDMENT or NOTICE OF INFORMAL PATENT APPLICATION (PTO-152) which gives reason(s) why the oath or declaration is deficient.
5. CORRECTED DRAWINGS (as "replacement sheets") must be submitted.
 - (a) including changes required by the Notice of Draftsperson's Patent Drawing Review (PTO-948) attached
 - 1) hereto or 2) to Paper No./Mail Date _____.
 - (b) including changes required by the attached Examiner's Amendment / Comment or in the Office action of Paper No./Mail Date _____.

Identifying indicia such as the application number (see 37 CFR 1.84(c)) should be written on the drawings in the front (not the back) of each sheet. Replacement sheet(s) should be labeled as such in the header according to 37 CFR 1.121(d).
6. DEPOSIT OF and/or INFORMATION about the deposit of BIOLOGICAL MATERIAL must be submitted. Note the attached Examiner's comment regarding REQUIREMENT FOR THE DEPOSIT OF BIOLOGICAL MATERIAL.

Attachment(s)

1. Notice of References Cited (PTO-892)
2. Notice of Draftsperson's Patent Drawing Review (PTO-948)
3. Information Disclosure Statements (PTO/SB/08),
Paper No./Mail Date _____
4. Examiner's Comment Regarding Requirement for Deposit
of Biological Material
5. Notice of Informal Patent Application
6. Interview Summary (PTO-413),
Paper No./Mail Date _____.
7. Examiner's Amendment/Comment
8. Examiner's Statement of Reasons for Allowance
9. Other _____.

DETAILED ACTION

1. This Office Action is the answer to the Amendment filed on January 18, 2008, which paper has been placed of record in the file.
2. Claims **1-43** are pending in this application.

Allowable Subject Matter/Reasons for Allowance

3. Independent claims **1, 13, 25, 27, 29, 30, and 39** are allowed over the prior arts cited records.

The closest prior arts are:

1) Talati (US 5,903,878) discloses a method and apparatus for electronic commerce and provides a system that includes an originator, a recipient and a transaction administrator (TA). The originator (e.g., a client or purchaser) originates an electronic commerce transaction. The recipient (e.g., a merchant or vendor) receives payment for the transaction. The TA (e.g., a credit card authority or financial network) authenticates the originator and recipient and validates transaction contents. In Talati, an originator initiates a purchase or payment by sending a transaction to the recipient. The transaction includes some details of the purchase, along with a unique transaction identifier (UTID) generated by the originator. After receiving the transaction, the recipient sends to the TA a payment authorization request that includes the UTID. Upon receipt of the payment authorization request, the TA validates the originator and the recipient. Validation of the originator requires the TA to send to the originator a validation request that includes the UTID. The originator extracts the UTID and

compares it to a list of generated transaction identifiers to determine if the transaction was initiated by the originator. In a claimed present invention, a system (e.g., a verification system) for verifying a customer's financial instrument (e.g., credit card, bank account) initiates one or more transactions using that instrument. The transactions are not initiated by the customer. The system stores details of the transactions and later receives those same details from the customer to verify that the customer controls the instrument. The system compares the details offered by the customer to the stored details. If they match, the customer is then allowed to use the instrument to perform transactions.

2) Watson (US 6,226,624) discloses a system and method for pre-authorization of individual account remote transactions. Watson focuses on pre-approval of individual transactions. In Watson, several entities interact during the pre-authorization of a transaction. An "account user" is a person or organization that uses an account to purchase goods or service. An "account manager" is a person or organization that monitors the account. An "authorizing agent" is an entity that verifies the validity of an account and authorization to use it. A "card issuer" or "account issuer" provides administrative service to an account manager or user, by providing access to the authorizing agent, for example. In a typical use of the Watson system or method, a pre-authorization commences when an account user requests a good or service and the account manager obtains a quote. The account manager then issues a pre-authorization request to the card issuer, which the card issuer relays to the authorizing agent. When the account user initiates the actual transaction with a merchant, the

merchant initiates an authorization request to the authorizing agent. The authorization agent then consults a table of pre-authorizations and responds accordingly to allow or deny the transaction. Watson specifically states "Once a transaction is approved, the pre-authorization is spent and requires individual preauthorization of each transaction" (Abstract; emphasis added). Thus, separate pre-authorizations are needed for every transaction and each pre-authorization only enables a single, current, transaction.

The system and methods of Watson are thus directed toward pre-authorization of a transaction and resolution of the pre-authorization when the transaction occurs, not a processor configured to actually initiate transactions. The cited portion of Watson (column 5, line 65 to column 6, line 18) describes the issuance of a pre-authorization request from an account manager to a card issuer. The pre-authorization request may include one or more transaction parameters and, as described above, is relayed to the authorizing agent. This portion of Watson may describe the pre-authorization process, but it does not describe a transaction processor that initiates transactions through one or more financial systems coupled to the transaction processor (as recited in claim 1, for example). For one thing, this pre-authorization procedure involves at least three entities that are, or should be, independent - the account manager, the card issuer and the authorizing agent. Secondly, in the Watson system, transactions are initiated by users (e.g., account users), not the Watson system. Claimed embodiments of the invention require the transaction processor, not a customer, to initiate a transaction. At best, Watson teaches one to initiate a pre-

authorization request (not a transaction) for a transaction that will be initiated *later* by a user.

Therefore, it is clear from the description of Talati's and Watson's inventions that the prior arts do not consider the possibility of: A computer-implemented method of verifying a customer's authority to use a financial instrument, the method comprising: *initiating one or more transactions using a financial instrument (or involving the credit card or involving the bank account) identified by a customer, wherein said one or more transactions are initiated by a transaction processor through one or more financial systems coupled to the transaction processor, as included in claims 1, 13, 25, 27, 29; a transaction processor configured to initiate one or more transactions involving an external financial account identified by a user, as included in claim 30; transaction means for initiating one or more transactions involving the financial instrument, as included in claim 39.*

4. Claims (2-12, 42, 43), (14-24), 26, 28, (31-38), and (40, 41) are allowed because they are dependent claims of the allowable independent claims 1, 13, 25, 27, 30 and 39 above, in that order.

Conclusion

5. Claims **1-43** are allowed.
6. Any inquiry concerning this communication or earlier communications from the examiner should be directed to examiner Nga B. Nguyen whose telephone number is

(571) 272-6796. The examiner can normally be reached on Monday-Friday from 9:00AM-5:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi can be reached on (571) 272-6702.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group receptionist whose telephone number is (571) 272-3600.

7. Any response to this action should be mailed to:

Commissioner of Patents and Trademarks
P.O. Box 1450
Alexandria VA, 22131-1450

Or faxed to:

(571) 273-8300 (for formal communication intended for entry),
or
(571) 273-6796 (for informal or draft communication, please label
“PROPOSED” or “DRAFT”).

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic

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Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Nga B. Nguyen/

Primary Examiner, Art Unit 3692

April 9, 2008